

# FISCAL NOTE

## HB 636 - SB 1406

April 4, 1997

**SUMMARY OF BILL:** Requires private health insurers and health maintenance organizations to provide coverage for a minimum of 48 hours of in-patient care following a mastectomy surgical procedure.

### ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - Exceeds \$300,000**

**Other Fiscal Impact - Increase Expenditures/Health Insurance Industry<sup>1</sup> - Exceeds \$300,000**

Assumes that many health insurance plans provide coverage of 24 hours of in-patient care at the present time, unless an extended time appears to be medically necessary.

Coverage of additional in-patient care for such services is estimated to result in higher capitation rates paid to managed care organizations in the TennCare Program.

This bill would not directly impact the state employee health insurance plan and most local government health plans, since self-insured plans are exempted by federal law (ERISA).

<sup>1</sup>The impact on the health insurance industry is included as required by Chapter 244 of the Public Acts of 1989.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director